

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

ANNUAL COMPLIANCE REPORT, 2011

DOCKET NO. ACR2011

RESPONSES OF THE UNITED STATES POSTAL SERVICE TO
QUESTIONS 23-25 AND 28 OF CHAIRMAN'S INFORMATION REQUEST NO. 2
(February 15, 2012)

The United States Postal Service hereby provides its responses to the above-listed questions from Chairman's Information Request No. 2, issued on January 31, 2012. Each question is stated verbatim and followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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RESPONSES OF THE UNITED STATES POSTAL SERVICE
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Question 23

Please refer to the Strategic Initiatives on page 30 of the 2011 Comprehensive Statement on Postal Operations. Please provide FY 2012 targets for each Strategic Initiative. Page 53 of the FY 2010 Comprehensive Statement contains the FY 2011 targets.

RESPONSE:

Due to the dramatic changes that are occurring in the Postal Service's business environment, Postal Service management has initiated a comprehensive review of all major initiatives. As part of this process, some of the existing initiatives are being restructured, and new priorities and initiatives are being developed. The FY 2012 targets are currently under development.

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Question 24

Please provide a copy of the (November) 2011 report to the Postal Service from McKinsey & Co.

RESPONSE:

Based on the description in the question, the Postal Service has not been able to identify such a report.

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Question 25

Please provide an update of the table entitled "Revenue by Channel" shown on p. 24 of the 2010 Comprehensive Statement on Postal Operations.

RESPONSE:

Services	2011 Revenue (\$ millions)	Share of Total Retail Revenue	Change From 2010
Post Offices	\$10,940	64.53%	-10.90%
PC Postage	\$2,799	16.51%	22.12%
Stamps only sales by retail partners	\$1,155	6.81%	1.04%
Automated Postal Centers (kiosks)	\$544	3.21%	-6.43%
Stamps by Mail/phone/fax	\$517	3.05%	1.55%
Contract postal units	\$434	2.56%	-4.61%
<i>usps.com/</i> Click-N-Ship	\$462	2.73%	8.44%
Other	\$103	0.61%	8.74%
Total	\$16,954	100%	-3.31%

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Question 28

Please provide the FY 2011 total factor productivity figures and the supporting workpapers.

RESPONSE:

The total factor productivity figure for FY 2011 was 1.3 percent. The supporting workpapers are contained in ChIR2.Q28.xls, which is attached to this response.